## REMARKS

Claims 22-39 remain in the present application. Claims 23, 30 and 34-35 are amended herein. Applicants respectfully submit that no new matter has been added as a result of the claim amendments. Applicants respectfully request further examination and reconsideration of the rejections based on the arguments set forth below.

## Claim Rejections - 35 U.S.C. §112

Claims 23, 32 and 34 are rejected under 35 U.S.C. §112, second paragraph, as allegedly failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. In light of the claim amendments made herein, Applicants respectfully submit that Claims 23, 32 and 34 comply with 35 U.S.C. §112, second paragraph.

## Claim Rejections - 35 U.S.C. §103

Claims 22-39 are rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over United States Patent Number 7,113,646 to Youn (referred to herein as "Youn") in view of United States Patent Number 6,341,144 to Haskell et al. (referred to herein as "Haskell"). Applicants respectfully submit that the embodiments of the present invention as recited in Claims 22-39 are not rendered obvious by Youn in view of Haskell for the following reasons.

Applicant respectfully directs the Examiner to independent Claim 22 that recites a dynamic AC prediction method comprising (emphasis added):

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performing DC prediction for a current macroblock using DC coefficients associated with at least one adjacent macroblock;

performing AC prediction for said current macroblock using AC coefficients associated with said at least one adjacent macroblock;

determining whether an overflow condition is to occur in a current data packet if said current macroblock is encoded in said current data packet:

if no overflow condition is to occur, supplying AC predict coefficients and DC predict coefficients for encoding said current macroblock in said current data packet; and

if said overflow condition is to occur, supplying said AC coefficients and said DC predict coefficients for encoding said current macroblock in a new data packet.

Independent Claim 30 recites limitations similar to independent Claim 22. Claims 23-29 and 34-39 recite further limitations to the invention claimed in their respective independent Claims.

Applicants respectfully submit that Youn fails to teach or suggest the elements of "performing AC prediction for said current macroblock using AC coefficients associated with said at least one adjacent macroblock" as recited in independent Claim 22. As recited and described in the present application, AC prediction is performed for the current macroblock using AC coefficients associated with at least one adjacent macroblock.

In contrast to the claimed embodiments, Applicants understand Youn to teach that AC transform values are generated by DCT 56, passed to quantizer and zig-zag scanner 58, then provided to variable length coder 66 (Figure 2; col. 2, lines 57-61; col. 3, lines 8-12). However, Applicants fail to find any teaching or suggestion in Youn of performing AC prediction as claimed. Further, Applicants fail to find any teaching or suggestion in Youn of performing AC prediction for a

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current macroblock using AC coefficients associated with at least one adjacent macroblock as claimed. Accordingly, Applicants reiterate that Youn fails to teach or suggest the elements of "performing AC prediction for said current macroblock using AC coefficients associated with said at least one adjacent macroblock" as

Applicants respectfully submit that Haskell, either alone or in combination with Youn, fails to cure the deficiencies of Youn discussed herein. More specifically, Applicants respectfully submit that Haskell, either alone or in combination with Youn, also fails to teach or suggest the elements of "performing AC prediction for said current macroblock using AC coefficients associated with said at least one adjacent macroblock" as recited in independent Claim 22.

Applicants respectfully submit that Youn fails to teach or suggest the elements of "if said overflow condition is to occur, supplying said AC coefficients and said DC predict coefficients for encoding said current macroblock in a new data packet" as recited in independent Claim 22. As recited and described in the present application, if an overflow condition is to occur, AC coefficients and the DC coefficients are supplied for encoding the current macroblock in a new data packet. In this manner, the occurrence of an overflow condition determines which data packet a current macroblock is encoded in.

In contrast to the claimed embodiments, Applicants understand Youn to teach rate controller 80 which prevents buffer overflow by adjusting the scaling factors used by quantizer/scanner 58 to then control the size of the data

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recited in independent Claim 22.

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generated by coder 66 (Figure 2; col. 6, lines 3-18). However, Applicants fail to find any teaching or suggestion in Youn of how macroblocks are apportioned among data packets, and more specifically, Applicants fail to find any teaching or suggestion in Youn of a macroblock being assigned for encoding in a new data packet based upon the occurrence of an overflow condition as claimed. Accordingly, Applicants reiterate that Youn fails to teach or suggest the elements of "if said overflow condition is to occur, supplying said AC coefficients and said DC predict coefficients for encoding said current macroblock in a new data packet" as recited in independent Claim 22.

Applicants respectfully submit that Haskell, either alone or in combination with Youn, fails to cure the deficiencies of Youn discussed herein. More specifically, Applicants respectfully submit that Haskell, either alone or in combination with Youn, also fails to teach or suggest the elements of "if said overflow condition is to occur, supplying said AC coefficients and said DC predict coefficients for encoding said current macroblock in a new data packet" as recited in independent Claim 22.

For these reasons, Applicant respectfully submits that independent Claim 22 is not rendered obvious by Youn in view of Haskell, thereby overcoming the 35 U.S.C. §103(a) rejection of record. Since independent Claim 30 recites similar elements as independent Claim 22, Applicants respectfully submit that independent Claim 30 also overcomes the 35 U.S.C. §103(a) rejections of record. Since Claims 23-29 and 34-39 recite further limitations to the invention

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claimed in their respective independent Claims, Applicants respectfully submit that Claims 23-29 and 34-39 also overcome the 35 U.S.C. §103(a) rejections of record. Therefore, Applicant respectfully submits that Claims 22-39 are allowable.

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## CONCLUSION

Applicant respectfully submits that Claims 22-39 are in condition for allowance and Applicants earnestly solicit such action from the Examiner.

The Examiner is urged to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Please charge any additional fees or apply any credits to our PTO deposit account number: 50-4160.

Respectfully submitted,

MURABITO, HAO & BARNES LLP

Dated: 1 / 20 / 2009 /BMF/

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